

Abbreviated Accounts
for the Year Ended 30 April 2011
for
Scotframe Timber Engineering Limited

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for the Year Ended 30 April 2011**

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Scotframe Timber Engineering Limited

**Company Information
for the Year Ended 30 April 2011**

DIRECTORS:

R T Edwards
M G Cruickshank
A K Milne
D B Barron
M Simpson
A Cruickshank
C Irwin

SECRETARY:

I J McDougall

REGISTERED OFFICE:

Inverurie Business Park
Souterford Avenue
Inverurie
Aberdeenshire
AB51 OZJ

REGISTERED NUMBER:

SC118213 (Scotland)

AUDITORS:

Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
10 Carden Place
Aberdeen
AB10 1UR

**Report of the Directors
for the Year Ended 30 April 2011**

The directors present their report with the accounts of the company for the year ended 30 April 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a timber frame manufacturer for the construction industry.

REVIEW OF BUSINESS

The results for the year and the financial position of the company are as shown in the annexed financial statements.

The difficult market conditions experienced over the past few years continued but we managed to maintain and improve our market share with turnover increasing by £2.7m (11.5%) over the previous year.

An operating loss of £194k in the year was only the second loss in the company's history, the previous loss being last year (£1,094k) which was due to one off exceptional costs. The operating loss can be mainly attributed to the pressure on margins, increases in operating costs and bad debt.

Average employee numbers increased by 7 to 136 with turnover per employee increasing to £192k (2010 - £181k). Employee costs as a percentage of turnover were 18.9% (2010 - 19.6%, excluding one-off pension costs).

	2011	2010
Gross profit	14.2%	16.4%
Net profit/(loss) before tax and exceptional items	(0.7)%	1.1%

The reduction in gross margin of 2% reflects the competitiveness of a shrinking market.

A further investment of £861k was made in plant and machinery as we continue to modernise our production facilities and develop products that will hopefully consolidate our position in the market.

Our major risks continue to be bad debts, increasing supplier prices and a further downturn in house building due to the lack of funding. There is still a great deal of pessimism in the market and unfortunately it does not look like changing in 2012.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2010 to the date of this report.

R T Edwards
M G Cruickshank
A K Milne
D B Barron
M Simpson
A Cruickshank
C Irwin

**Report of the Directors
for the Year Ended 30 April 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



R T Edwards - Director

23 January 2012

**Report of the Independent Auditors to
Scotframe Timber Engineering Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to twenty one, together with the full financial statements of Scotframe Timber Engineering Limited for the year ended 30 April 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Dugald MacPherson (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
10 Carden Place
Aberdeen
AB10 1UR

23 January 2012

Scotframe Timber Engineering Limited (Registered number: SC118213)

**Abbreviated Profit and Loss Account
for the Year Ended 30 April 2011**

	Notes	2011 £	2010 £
TURNOVER		26,081,360	23,370,699
Cost of sales and other operating income		(22,293,338)	(19,540,583)
		<u>3,788,022</u>	<u>3,830,116</u>
Administrative expenses		<u>3,924,939</u>	<u>4,922,938</u>
OPERATING LOSS	3	(136,917)	(1,092,822)
Interest receivable and similar income		<u>4,682</u>	<u>25,502</u>
		(132,235)	(1,067,320)
Interest payable and similar charges	4	<u>61,375</u>	<u>26,529</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(193,610)	(1,093,849)
Tax on loss on ordinary activities	5	<u>(54,850)</u>	<u>83,461</u>
LOSS FOR THE FINANCIAL YEAR		<u>(138,760)</u>	<u>(1,177,310)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these abbreviated accounts

Scotframe Timber Engineering Limited (Registered number: SC118213)

Abbreviated Balance Sheet
30 April 2011

		2011	2010
	Notes	£	£
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	2,784,148	2,177,596
		<u>2,784,148</u>	<u>2,177,596</u>
CURRENT ASSETS			
Stocks	10	986,863	708,485
Debtors	11	10,105,384	9,203,431
Cash at bank and in hand		654,457	2,542,475
		<u>11,746,704</u>	<u>12,454,391</u>
CREDITORS			
Amounts falling due within one year	12	6,823,831	7,125,400
		<u>6,823,831</u>	<u>7,125,400</u>
NET CURRENT ASSETS		<u>4,922,873</u>	<u>5,328,991</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,707,021</u>	<u>7,506,587</u>
CREDITORS			
Amounts falling due after more than one year	13	(649,713)	(295,157)
PROVISIONS FOR LIABILITIES	16	(121,162)	(136,524)
NET ASSETS		<u><u>6,936,146</u></u>	<u><u>7,074,906</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	20,000	20,000
Capital redemption reserve	18	30,000	30,000
Profit and loss account	18	6,886,146	7,024,906
SHAREHOLDERS' FUNDS	24	<u><u>6,936,146</u></u>	<u><u>7,074,906</u></u>

The notes form part of these abbreviated accounts

Abbreviated Balance Sheet - continued
30 April 2011

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 23 January 2012 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R T Edwards', with a stylized, cursive script.

R T Edwards - Director

Scotframe Timber Engineering Limited (Registered number: SC118213)

**Cash Flow Statement
for the Year Ended 30 April 2011**

		2011	2010
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(1,172,441)	766,049
Returns on investments and servicing of finance	2	(56,693)	(1,027)
Taxation		(146,047)	49,730
Capital expenditure	2	(165,887)	(424,481)
Equity dividends paid		-	(680,000)
		(1,541,068)	(289,729)
Financing	2	(346,950)	385,244
(Decrease)/Increase in cash in the period		(1,888,018)	95,515
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		(1,888,018)	95,515
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(513,125)	147,578
Change in net funds resulting from cash flows		(2,401,143)	243,093
Movement in net funds in the period		(2,401,143)	243,093
Net funds at 1 May		2,099,740	1,856,647
Net (debt)/funds at 30 April		(301,403)	2,099,740

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 April 2011

1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating loss	(136,917)	(1,092,822)
Depreciation charges	343,805	322,915
Loss on disposal of fixed assets	8,375	396,653
(Increase)/Decrease in stocks	(278,378)	13,499
Increase in debtors	(833,481)	(1,551,173)
(Decrease)/Increase in creditors	(275,845)	2,676,977
Net cash (outflow)/inflow from operating activities	(1,172,441)	766,049

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	4,682	25,502
Interest paid	(25,507)	(9,127)
Interest element of hire purchase payments	(35,868)	(17,402)
Net cash outflow for returns on investments and servicing of finance	(56,693)	(1,027)
Capital expenditure		
Purchase of tangible fixed assets	(180,387)	(424,481)
Sale of tangible fixed assets	14,500	-
Net cash outflow for capital expenditure	(165,887)	(424,481)
Financing		
Capital repayments in year	(279,719)	(147,578)
Amount introduced by directors	350,000	670,000
Amount withdrawn by directors	(417,231)	(137,178)
Net cash (outflow)/inflow from financing	(346,950)	385,244

Notes to the Cash Flow Statement
for the Year Ended 30 April 2011

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.5.10 £	Cash flow £	At 30.4.11 £
Net cash:			
Cash at bank and in hand	2,542,475	(1,888,018)	654,457
	<u>2,542,475</u>	<u>(1,888,018)</u>	<u>654,457</u>
Debt:			
Hire purchase	(442,735)	(513,125)	(955,860)
	<u>(442,735)</u>	<u>(513,125)</u>	<u>(955,860)</u>
Total	<u>2,099,740</u>	<u>(2,401,143)</u>	<u>(301,403)</u>

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 30 April 2011**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover consists of the invoiced sales value, excluding value added tax, of timber frame kits on a supply only basis to third parties. It includes the relevant proportion of contract value for performance up to the year end.

Goodwill

Goodwill is amortised over the three years commencing with the first complete year after acquisition.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 2% on reducing balance
Plant and machinery	- 10% to 20% on reducing balance
Fixtures and fittings	- 20% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligation is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

2. STAFF COSTS

	2011 £	2010 £
Wages and salaries	4,371,525	4,058,905
Social security costs	487,085	448,361
Other pension costs	60,262	1,079,704
	<u>4,918,872</u>	<u>5,586,970</u>

The average monthly number of employees during the year was as follows:

	2011	2010
Sales and administration	35	33
Production	101	96
	<u>136</u>	<u>129</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2011 £	2010 £
Other operating leases	119,549	122,753
Depreciation - owned assets	216,752	188,243
Depreciation - assets on hire purchase contracts	127,052	134,672
Loss on disposal of fixed assets	8,375	396,653
Auditors' remuneration	20,550	20,550
Operating leases - land and buildings	584,474	422,068
	<u>655,265</u>	<u>666,236</u>
Directors' remuneration	19,707	1,039,637
Directors' pension contributions to money purchase schemes		

The number of directors to whom retirement benefits were accruing was as follows:

	2011	2010
Money purchase schemes	<u>7</u>	<u>7</u>

Information regarding the highest paid director is as follows:

	2011 £	2010 £
Emoluments etc	226,784	238,641
Pension contributions to money purchase schemes	-	1,020,000

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	-	47
Corporation tax interest paid	1,507	532
Loan	24,000	8,548
Hire purchase	35,868	17,402
	<u>61,375</u>	<u>26,529</u>

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2011	2010
	£	£
Current tax:		
UK corporation tax	(68,473)	117,062
Underprovision in prior years	36,884	-
Overprovision in prior years	(7,899)	-
Total current tax	<u>(39,488)</u>	<u>117,062</u>
Deferred tax	<u>(15,362)</u>	<u>(33,601)</u>
Tax on loss on ordinary activities	<u>(54,850)</u>	<u>83,461</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

5. TAXATION - continued

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(193,610)</u>	<u>(1,093,849)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2010 - 28%)	(40,658)	(306,278)
Effects of:		
Disallowable items	10,285	436,362
Difference between depreciation and capital allowances	(24,563)	4,798
Losses offset	54,910	-
Losses carried back	(68,473)	-
Losses carried forward	26	-
Prior year adjustment	28,985	-
Marginal relief	-	(17,820)
Current tax (credit)/charge	<u>(39,488)</u>	<u>117,062</u>

6. DIVIDENDS

	2011 £	2010 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>680,000</u>

7. AUDITORS REMUNERATION

	2011 £	2010 £
Audit Services	<u>20,550</u>	<u>20,550</u>
Other services supplied	<u>1,640</u>	<u>11,015</u>
Other services relating to taxation	<u>3,325</u>	<u>4,820</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 May 2010	
and 30 April 2011	<u>155,000</u>
AMORTISATION	
At 1 May 2010	
and 30 April 2011	<u>155,000</u>
NET BOOK VALUE	
At 30 April 2011	<u>-</u>
At 30 April 2010	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 May 2010	80,000	851,450	1,759,949
Additions	-	110,224	861,366
Disposals	-	-	(38,424)
	<u>80,000</u>	<u>961,674</u>	<u>2,582,891</u>
At 30 April 2011			
DEPRECIATION			
At 1 May 2010	-	54,037	805,444
Charge for year	-	21,380	215,290
Eliminated on disposal	-	-	(23,252)
	<u>-</u>	<u>75,417</u>	<u>997,482</u>
At 30 April 2011			
NET BOOK VALUE			
At 30 April 2011	<u>80,000</u>	<u>886,257</u>	<u>1,585,409</u>
At 30 April 2010	<u>80,000</u>	<u>797,413</u>	<u>954,505</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

9. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2010	639,143	66,448	3,396,990
Additions	1,641	-	973,231
Disposals	(41,059)	-	(79,483)
At 30 April 2011	599,725	66,448	4,290,738
DEPRECIATION			
At 1 May 2010	329,228	30,685	1,219,394
Charge for year	98,193	8,941	343,804
Eliminated on disposal	(33,356)	-	(56,608)
At 30 April 2011	394,065	39,626	1,506,590
NET BOOK VALUE			
At 30 April 2011	205,660	26,822	2,784,148
At 30 April 2010	309,915	35,763	2,177,596

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 May 2010	684,771
Additions	792,844
At 30 April 2011	1,477,615
DEPRECIATION	
At 1 May 2010	146,085
Charge for year	127,052
At 30 April 2011	273,137
NET BOOK VALUE	
At 30 April 2011	1,204,478
At 30 April 2010	538,686

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

10. STOCKS

	2011 £	2010 £
Stocks	<u>986,863</u>	<u>708,485</u>

11. DEBTORS

	2011 £	2010 £
Amounts falling due within one year:		
Trade debtors	6,905,168	6,283,032
Amounts owed by group undertakings	1,856	1,856
Other debtors	232,526	216,644
Tax	68,473	-
Prepayments and accrued income	358,092	272,630
	<u>7,566,115</u>	<u>6,774,162</u>
Amounts falling due after more than one year:		
Other debtors	<u>2,539,269</u>	<u>2,429,269</u>
Aggregate amounts	<u>10,105,384</u>	<u>9,203,431</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Hire purchase contracts (see note 14)	306,147	147,578
Trade creditors	3,867,840	3,670,984
Tax	-	117,062
Social security and other taxes	233,831	237,059
VAT	262,480	508,849
Other creditors	1,151,853	1,170,622
Directors' current accounts	48,997	116,228
Accrued expenses	952,683	1,157,018
	<u>6,823,831</u>	<u>7,125,400</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Hire purchase contracts (see note 14)	<u>649,713</u>	<u>295,157</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2011 £	2010 £
Net obligations repayable:		
Within one year	306,147	147,578
Between one and five years	649,713	295,157
	<u>955,860</u>	<u>442,735</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2011 £	2010 £	2011 £	2010 £
Expiring:				
Within one year	5,167	5,167	34,924	19,736
Between one and five years	-	-	143,817	149,750
In more than five years	555,000	475,000	-	-
	<u>560,167</u>	<u>480,167</u>	<u>178,741</u>	<u>169,486</u>

15. SECURED DEBTS

The bank holds a floating charge over the whole assets of the company.

16. PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>121,162</u>	<u>136,524</u>
		Deferred tax £
Balance at 1 May 2010		136,524
Capital allowances		<u>(15,362)</u>
Balance at 30 April 2011		<u>121,162</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2011 £ <u>20,000</u>	2010 £ <u>20,000</u>
20,000	Ordinary			

18. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 May 2010	7,024,906	30,000	7,054,906
Deficit for the year	(138,760)		(138,760)
At 30 April 2011	<u>6,886,146</u>	<u>30,000</u>	<u>6,916,146</u>

19. PENSION COMMITMENTS

The company operates a defined contribution scheme on behalf of it's directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual commitment under this scheme is for contributions of £63,946 (2010 - £61,881).

20. ULTIMATE PARENT COMPANY

The directors consider Scotframe Limited to be the ultimate parent company. Mr Edwards is the sole director of that company.

21. CONTINGENT LIABILITIES

Included within fixed assets is a heating system acquired at a cost of £132,448 of which a grant of £50,864 was received from the Forestry Commission Scotland. In the event of this asset being disposed of prior to 31 January 2015, any proceeds will be due and payable to the Forestry Commission Scotland.

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011

22. RELATED PARTY DISCLOSURES

Meldrum House Golf Company Limited R T Edwards is a Director	30.4.11 £	30.4.10 £
Sales	-	1,887
Purchases	-	568
Meldrum House Estates Ltd R T Edwards is a Director	30.4.11 £	30.4.10 £
Purchases	5,547	4,340
Sales	1,452	109
Debtor	2,539,269	2,429,269
Creditor	5,295	4,806
Supawall Limited R T Edwards is a Director	30.4.11 £	30.4.10 £
Purchases	369,648	229,465
Debtor	-	50,000
Meldrum House Hotel Ltd R T Edwards is a Director	30.4.11 £	30.4.10 £
Purchases	-	1,966
McDee 6 Limited R T Edwards children are Directors	30.4.11 £	30.4.10 £
Rent paid to McDee 6 Limited	275,000	158,196
R T Edwards	30.4.11 £	30.4.10 £
Rent paid to Mr R T Edwards	200,000	270,000

On 31/12/09 the trade and assets of Meldrum House Hotel Ltd and Meldrum House Golf Company Ltd were hived up into Meldrum House Estates limited.

The above transactions were in the ordinary course of business and on normal commercial terms.

**Notes to the Abbreviated Accounts - continued
for the Year Ended 30 April 2011**

Included within Other Creditors is a director current account balance of £48,997 (2010: £116,228). No interest has been charged on this and meantime there are no fixed terms of repayment.

Also included within Other Creditors is a director loan account balance of £800,000 (2010: £800,000). Interest has been charged at a normal commercial rate and there are no fixed terms of repayment.

No related party transactions have been disclosed in respect of the parent undertaking, Scotframe Limited due to the exemption taken as details are included within the consolidated accounts available from Inverurie Business Park, Souterford Avenue, Inverurie, Aberdeenshire, AB51 OZJ.

23. ULTIMATE CONTROLLING PARTY

It is considered that Mr R T Edwards has overall control of the company.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(138,760)	(1,177,310)
Dividends	-	(680,000)
Net reduction of shareholders' funds	(138,760)	(1,857,310)
Opening shareholders' funds	7,074,906	8,932,216
Closing shareholders' funds	6,936,146	7,074,906